

as well, and to limit the health care choices Americans now enjoy.

The American people are not happy with any of these things, and they are not happy with the process they are seeing here on Capitol Hill. Americans are understandably unhappy that a handful of Senators and White House staffers are about to put the finishing touches on the Democratic proposal behind closed doors, especially after the President pledged to broadcast negotiations on C-SPAN.

The administration did not particularly like what PricewaterhouseCoopers had to say about the Finance Committee bill. It hastily dismissed this report, just as it dismissed commonsense Republican proposals and the concerns of ordinary Americans throughout this debate.

Indeed, the administration and its allies seem to view any opposing viewpoint in this debate as hostile. It is perfectly obvious why. The administration does not want to hear criticism because it does not want people to know what its proposals will actually do.

At a time of nearly 10 percent unemployment, Americans do not need higher taxes and higher health insurance premiums. Yet one thing that is perfectly clear about the administration's health care proposal is it promises higher taxes on virtually everyone in America.

Here is the breakdown: Under this legislation, if you have insurance, you are taxed; if you do not have insurance, you are taxed; if you use a medical device such as a hearing aid, you are taxed; if you take prescription drugs, you are taxed; if you are a business owner who cannot afford to provide coverage for your employees, you are taxed. And the Joint Committee on Taxation and the CBO have both said that many of these taxes will hit the middle class hardest, at a time when unemployment stands at a 25-year high.

Add all these up and you get a bill that raises taxes, raises premiums, and leads to more government control. You can call this many things, but it is not what the vast majority of Americans would consider reform.

#### RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

#### MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will proceed to a period of morning business until 3 p.m., with Senators permitted to speak therein for up to 10 minutes each.

The Senator from Illinois.

#### HEALTH CARE REFORM

Mr. DURBIN. Mr. President, I listened carefully to the Republican lead-

er of the Senate, as I have every day, waiting for one thing: the Republican health care reform plan. We did not receive it today. We have never received it because there is no Republican approach to health care reform.

I know we have tried to engage the Republicans in this debate. We waited weeks—make that months—to bring over just three Republican Senators who would sit down and negotiate with us. In the end, they walked away. One Senator from Maine is still possibly going to vote for this. We hope she will. I hope others will join her. But it is not for lack of effort that we do not have a bipartisan approach at this moment.

What the Senator from Kentucky failed to mention when he said we have dismissed commonsense Republican proposals is when the HELP Committee—which is the Health, Education, Labor Committee—sat down to write their health care reform bill—it went on for weeks—day after weary day, amendment after amendment was considered by this committee because of the gravity of this challenge—we are literally talking about a health care system that affects every one of us—and at the end of the weeks of hearings and the hundreds of amendments offered, 150, maybe more, Republican amendments were adopted to this bill. The committee decided on a bipartisan basis to accept these Republican ideas and make them part of the final product that was going to be voted on by the HELP Committee.

Well, wouldn't you believe, at the end of that long process—bipartisan process—with Democrats and Republicans working together, after 150 Republican amendments had been accepted, at least 1 Republican Senator would have voted for the health care reform bill reported by the committee? It did not happen. There were 150 amendments from the Republican side of the aisle, and still not 1 Republican Senator was willing to stand up for health care reform.

So when the Republican leader says, we have dismissed commonsense Republican proposals, we took 150 of them and could not get a vote out of it—not a single vote. The reality is this. The Republicans have no alternative to health care reform. They come to the floor and they quote as their sources the health care insurance industry.

For the longest time, the Senator from Texas, Mr. CORNYN, came and he would quote the so-called Lewin study. Well, it turns out that the Lewin study about the cost of health care reform had an element to it which he did not disclose: The Lewin company that did the study is owned by the largest health insurance company in America. So they quoted as their source on how much this bill would cost the critics of health care reform, the people who want to maintain the current system.

Today, the Senator from Kentucky very carefully avoided saying the obvious. This PricewaterhouseCoopers study he is talking about was commis-

sioned by the health insurance industry. That is why they have come out with it the night before the critical vote in the Senate Finance Committee.

What did they say? They predicted if health care reform went through, health care insurance premiums would go up. Well, there are those who disagree, people with the Congressional Budget Office and others, who believe that more and more Americans with insurance—not showing up in emergency rooms for charity care, where the cost of their care is passed on to all the rest of us—is going to mean there is going to be a downward push on premium costs.

They estimate each of us with a family plan pays \$1,000 a year in premiums to take care of the charity work that is given out at our hospitals every single day. If there is less charity work, it means less money is going to be needed from all the rest of us who have health insurance, and that will help bring premiums down as more and more Americans have health insurance protection.

But what do we make of the health insurance industry telling us that premiums are going to go up? I will tell you what I think. I think it is a self-fulfilling prophecy. I think when health care reform passes—and I think it will—the health insurance companies, unless we do something about it, will raise premiums, and they will point at Congress and say: You did it. See, we told you not to change the system.

Can they make good on their promise of higher health insurance premiums? You bet they can. There is something called the McCarran-Ferguson Act. It is a law that was passed decades ago that said two industries in America were exempt from antitrust laws. The two were organized baseball and the insurance industry. What it means is, unlike other businesses making products such as cars and computers, which are prohibited by law from collusion and conspiracy in putting together the cost of their product, the insurance industry is exempt. That is right, it is the only industry, other than baseball, exempt from the antitrust laws of America.

So when the health insurance companies tell us: We are going to raise premiums, you ought to listen up, they have the power to do it. They can literally meet in the same room and decide to do it—legally in America. I think it is an outrage. I think that law should change. But the fact is, it will not change unless there is a force to change it.

What is the force that would keep the health insurance companies honest, stop them from this collusion, create real competition to protect consumers, stop them from raising premiums in a fit of pique over health care reform? It is called the public option. It says there ought to be for every American at least one not-for-profit insurance company available to sell you health insurance. You do not have to take it.

You may decide you do not want any part of it because it is a public option or a not-for-profit option, but it ought to be your choice. If you have that not-for-profit option—that does not have dramatic overhead costs because they hire scores of people to say “no” when you turn in a claim, that does not have significant amounts of money they spend each year for advertising, that does not have multimillion-dollar CEO bonuses and huge health insurance policies for the people in the boardroom—we believe the costs would be lower and we believe that competition will force the health insurance companies that are exempt from antitrust laws to play it straight and give consumers across America a fighting chance.

Well, you know where the public option is today. Let me tell you who supports a public option. Two out of three Americans consistently through this debate—although they have heard both sides of the story and they have been confused by some allegations and others—two out of three have consistently said: Give us that choice, give us a choice, like Medicare, something that is not profit driven that can be a low-cost alternative that we can consider—two out of three Americans.

But what about the health care professionals? What about the doctors across America? What do they think about a public option for health insurance? Do not take my word for it. Go to the *New England Journal of Medicine*. They surveyed 2,000 doctors across America and asked them basically: What do you think about a not-for-profit, public option health insurance plan? Doctors, professionals, medical professionals—10 percent of them said: We think we ought to have single payer like Canada; 10 percent of the doctors said that. Sixty-three percent of them said: We think it ought to be a blend of public and private so there is a public not-for-profit option available to people. What it comes down to is three out of four doctors in America, when asked, believe this is a reasonable alternative, to have a public option of some kind. So it is not a radical idea.

Who opposes the public option? The health insurance companies do because it means competition in places where they do not have it today. In most of the markets in America, private health insurance companies—just two or three of them—dominate the market. There is very little competition. And the other health insurance companies there cherry-pick healthy people to try to make money, leaving the rest of the people, obviously, paying higher premiums.

So when I hear criticism from the Republican side of the aisle of the current plan, the obvious question is: What do you offer as an alternative? Continuing this current system where the cost of health insurance premiums is going up three times faster than wages in America, where fewer businesses are offering health insurance?

I was home in Springfield, IL, over the weekend. I went to a grocery store, the County Market. There was a lady there. She was offering samples of food. I did not know her. She recognized me. She stepped away from the counter, where people were grabbing these little samples, and came up to me. She said: Please pass health care reform. I said: How does it affect you? She said: I work for the city of Springfield. We don't have very good health insurance. She said: My health care costs are such that I had to take this job on the weekends out here at the grocery store giving out samples to try to keep up with health care costs.

She said: I'm just one person, Senator, but think about me when you get back to Washington. Well, I do, and I will. And I will think about what has been said on the other side of the aisle. When they say they do not want to expand government, listen, we are not talking about the government running a health insurance plan. We are talking about a not-for-profit plan that is an option for people. But for those who are keeping score, one out of three Americans today is covered by some kind of government health insurance—about 40 million on Medicaid, another 40 million on Medicare, tens of millions on veterans health care, and how about all the Federal employees and Members of Congress—please hold up your hands—8 million of us in a government-run health care plan. I don't see a lot of my colleagues running for the exits to get out of the Federal Employees Health Benefits Program. It is one of the best insurance programs in America. It has been for 40 years. It offers us, in my case, nine different private health insurance plans to choose from; open enrollment every year. My wife and I pick the plan best for us. Our employer, the Federal Government, pays a portion of it. If we want a bigger plan, we pay more. It is administered by the Federal Government. It has been for 40 years. It is wildly successful. I don't hear a lot of people coming to the floor criticizing that approach. It turns out to be a good one and a good model to expand, which is what we are trying to do in health care reform.

When the Republican leader comes and says health care reform is going to slash Medicare, open the book and take a look at what is really going on.

There are private health insurance companies that came to the Federal Government years ago and said: We can do Medicare better than the government. We can save the government money. So let us offer the Medicare policy as a private health insurance company and we will run rings around the government.

Well, you know what. It turned out some of these insurance companies did, and it turned out to be cheaper, but too many of them didn't. They ended up overcharging us for basic Medicare, up to 14 percent more than the cost of Medicare—a subsidy to private health insurance companies out of the Medi-

care system, taking money away from seniors who need it. So when the Senator from Kentucky says we are slashing Medicare, what he doesn't say is what we are going to do is eliminate that subsidy over time to these private health insurance companies that are frankly taking money out of Medicare, under false pretenses. They were supposed to save us money, and they haven't.

The Senator from Kentucky laments the fact that pharmaceutical companies are going to have to pay more and that medical device companies are going to have to pay more. Can I tell the Senator from Kentucky that most of them agreed to this? Why would they agree to take less money for health care over the next 10 years? Because they realize that if the 40 million uninsured Americans now have insurance and they are showing up at the hospitals and the doctors' offices with that insurance, more of their products, medical devices, and pharmaceuticals will be sold and paid for. So they are willing to take a cut in their profits, realizing their consumer base is going to expand. That is the so-called slashing he is speaking about.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. DURBIN. Mr. President, I ask unanimous consent for 3 additional minutes. I see the Senator from Georgia in the Chamber.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DURBIN. Mr. President, let me address this notion that what we are doing happened behind closed doors, which was said by the Senator from Kentucky. I know some don't want to leave the broadcasting of the floor of the Senate, which is broadcast by C-SPAN, but one of the other channels is carrying the Senate Finance Committee. It is not behind closed doors. It is right in front of the television cameras. It is going on right now as they consider the bill they will be voting on this afternoon.

The Senator from Kentucky said the administration doesn't want the people to know what is in this bill. Before this bill is voted on, it will be up on the Internet for everyone to read, as it should be. Members of Congress will have the time and the responsibility to read it as well. That is the way it should be on something this important.

So I would say the bottom line is this: The Senator from Kentucky is critical of what we are trying to do. We have tried to engage the Republicans in achieving this goal. We haven't had many volunteers on their side of the aisle. I hope that changes. They don't have a Republican approach to health care reform. The arguments they make primarily come from health insurance companies that don't want to see change.

But Americans know we need change. We need to stabilize the system, get people security, making sure they can

afford good health insurance, that the costs don't go through the roof. We have to end the abuses of health insurance companies that turn down people when they need them the most, finding deep in some application form the failure of a person to disclose they suffered from acne as a teenager, so they are going to disqualify them from health insurance coverage later in life—and I am not making this up. We know what happens when they put caps and limits on the amount they will spend in a lifetime, and then people find themselves with a catastrophic health situation, not covered by their health insurance policy. We know more than twice as many people are filing bankruptcy in America today because of medical bills, and over three-fourths of them have health insurance that isn't any good. That is the reality of staying with the current system. The Senator from Kentucky may want to defend that. I think it is indefensible. If he wants to hear it firsthand from a real person, I suggest he go to the county market and look for the food sample lady. She will tell him what is really going on in America today as we face health care reform.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Georgia is recognized.

Mr. ISAKSON. Mr. President, are we in morning business?

The ACTING PRESIDENT pro tempore. We are.

Mr. ISAKSON. I ask unanimous consent to speak for up to 10 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

#### FIRST-TIME HOME BUYER TAX CREDIT

Mr. ISAKSON. Mr. President, I come to the floor to discuss our economy and the pending termination or sunset of the first-time home buyer tax credit and the potential implications and effects it certainly is going to have on what is at best a very fragile economy today.

First, I wish to reference this morning's USA TODAY business section where it was reported that existing home sales trailed down in the month of August off of the month of July. They did note they were better than August of a year ago but still deplorably low. Of all of the sales that were made in the month of August, 30 percent were attributable to the first-time home buyer tax credit. Unfortunately, substantially all the rest were attributable to short sales or foreclosures.

I was home Friday. In my State of Georgia, we have a law that says that if you foreclose on a deed to secure debt or a mortgage, you must advertise for four successive Fridays preceding the first Tuesday in the following month in order to foreclose. So every Friday in the legal organ of every county in Georgia, there is a section

for foreclosure advertisements. I hold before the Senate today all 74 pages of the Marietta Journal legal notices announcing the foreclosure on 1,157 homes in a county of 700,000 people.

Houses continue to decline in their value because the market demand is down. The foreclosures we see today are not subprime loans; they were the loans that were foreclosed on a year or a year and a half ago. When we read the addresses of these 1,157, which I won't do, they are the addresses of mainstream America and the mortgages that are being foreclosed on are what are called conventional loans that were made to people who had jobs, had income sufficient to make the payments, and had downpayments of 5, 10, or 20 percent. These are the good loans a year ago that today are the loans being foreclosed on. In my State, 1 out of every 13 houses shows mortgage holders right now behind in their payments. Foreclosures are at record rates.

The first-time home buyer tax credit is about to expire. What does that have to do with this foreclosure problem we have and the problem of declining values of houses and shrinking equities for the American people? It has everything to do with it. We have a great demonstration project in the first-time home buyer tax credit that shows this Congress the way to continue and get a recovery in our housing market. In the time the first-time home buyer tax credit has been in effect, it is estimated that 350,000 home sales were made. That is 357,000 sales that would not have taken place.

What we need to do is look at the value of the home buyer tax credit and see whether an extension makes sense and, if it does make sense, how it should be structured. First of all, I say it makes sense because we had modest success the first time. But I think the limitation of a first-time home buyer at a maximum of \$150,000 in income actually restricts us from helping the part of the market that is represented in these foreclosure pages because these are houses of people with more than \$150,000 in income who would need to qualify. These are what are known as the move-up homes, the homes the executives and transferees from around the country sell when they leave their home county and are transferred to a job in another city or another State. We need to energize that market because the move-up market is where the problem exists.

So I would submit that when we look at the sunset date of November 30 on the first-time home buyer tax credit, we should extend it—not forever but through midyear next year, to the end of June 2010. There is a reason for that recommendation. The worst 3 months of the year in any housing market anywhere in the United States are December, January, and February because it is winter and because it is the holidays. So there is not much of a market to begin with in those 3 months. If this

tax credit dies in November and then it dies the day before the declining market takes place, by the time the spring market comes back in March and April, it is too late and we will have a protracted period of even poorer sales than we have had recently. But if we pass and extend the credit through June 30 of next year, we continue to buoy the housing market around the country. If we take away the first-time home buyer limit and raise it to any home buyer who buys a home for their principal residence and resides in it for 3 years and we raise the income limitation from \$150,000 for a family to \$300,000, we stimulate the entire marketplace. That has a cost to it, a score of \$16 billion. That is a lot of money, but it is less than 3 percent of the amount of the stimulus, and we know from what has happened in the last 9 months that it works.

It is very important that we stimulate and continue the existing stimulation of the housing market. The recession that began in December of 2007 began with a collapse of housing, first because of the subprime mortgage failures, but it continues to today, a continuing collapse, and the failures aren't subprime, high-risk credits, they are mainstream America. There is a point in time when we owe it to our country, we owe it to our economy, we owe it to mainstream America, where we know we have a proven program that works, to extend it and buoy the marketplace.

I wish to deal with some of the negatives some people have expressed about extending the tax credit.

The first negative I have heard in a lot of interviews is: Well, isn't all you are really doing is moving forward some sales that are going to take place anyway? Well, of course. That is the object. The problem is, we don't want them to take place in 2011 and 2012; we would like to move them forward to take place now. We want people back in the business of making the decision that it is a good time to buy.

Secondly, people will say: Well, it costs too much. Let's look at what we have done in 2½ or 1½ years in terms of cost to try to save an ailing economy. We have put \$85 billion in 1 night in AIG. That is a lot more money than \$16 billion. The Federal Reserve has at one place or another invested over \$5 trillion. That is a lot more than \$16 billion. The stimulus, which is a 2-year stimulus, which is just in its infancy of trying to make some difference, was \$787 billion. The Troubled Asset Relief Program, or TARP, which was passed in October of last year, was \$700 billion. Yet we have a proposal that has generated 350,000 sales, costs \$16 billion, that is about to die, where all of those other programs and trillions of dollars have only saved a collapse but not regenerated an economy.

So I come to the floor today to ask everybody in the Senate to think about what is happening. Six weeks from now, the tax credit sunsets. When it fails, the market again will have downward depression on values, on sales,